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Integrated Diagnostics Holdings Plc
9M2016 Results Update
London, 23 November 2016

Integrated Diagnostics Holdings Plc Update on 9M2016 Results

(London) Integrated Diagnostics Holdings (“IDH” or “the Group”), IDHC on the London Stock Exchange, the largest fully integrated private-sector provider of medical diagnostics services in Egypt, Jordan and Sudan, released today unaudited highlights of its financial and operational performance in the first nine months of 2016, reporting unaudited net profit of EGP 200.4 million on total unaudited revenues of EGP 846.8 million.¹ Unaudited EBITDA stood at EGP 380.1 million in 9M2016, representing period-on-period growth of 80% against reported EBITDA and a 14% year-on-year increase against the normalized² figure in the same period last year.

IDH Chief Executive Officer Dr. Hend El-Sherbini said:

“I am very pleased with the Group’s performance in 3Q2016. All key indicators accelerated at a faster pace than the previous two quarters in 2016 with revenues up 17% year-on-year, number of test at 10% and number of patients recording a 7% year-on-year increase. Improved performance was driven by our focused marketing strategy and strong brands, leading to gains in total patient numbers. Particularly noteworthy is the return to year-on-year growth in total number of patients with stability in our higher-margin walk-in patient segment despite the prevailing high-inflation environment.

“On a nine-month basis, we are reporting a 14% rise in revenues. EBITDA for the period was just over EGP 380 million, and profit after tax declined slightly, weighed-down by EGP 48 million in foreign exchange losses owing to accounting treatments associated with sourcing USD at a parallel market rate higher than the official one at the time. We are accordingly confirming our guidance of FY2016 revenue growth of c.15% while maintaining EBITDA margins in our historical range despite the impact of recent economic reforms in Egypt including the introduction of a 13% value-added tax and the float of the Egyptian pound. We expect that the devaluation will see us record benefits on the revenue and EBITDA lines and that our foreign exchange loss would narrow in the final quarter of 2016. We are confident that our strong brand equity, responsive business model and marketing reach will allow us to move past any temporary near-term slowdown in consumer spending.”

Results (EGP mn, unless otherwise stated)

| | 3Q16 | 3Q15 | % change | 9M16 | 9M15 | % change |
|-------------------------------------|--------------|--------------|------------|--------------|--------------|-------------|
| Revenue | 294.3 | 252.0 | 17% | 846.8 | 745.3 | 14% |
| Operating Profit | 125.3 | 98.0 | 28% | 349.4 | 185.5 | 88% |
| EBITDA | 135.2 | 109.4 | 24% | 380.1 | 211.1 | 80% |
| <i>EBITDA Margin</i> | 46% | 43% | 3 pts | 45% | 28% | 17 pts |
| Normalized EBITDA | 135.2 | 109.4 | 24% | 380.1 | 334.0 | 14% |
| <i>Normalized EBITDA Margin</i> | 46% | 43% | 3 pts | 45% | 45% | 0.1 pts |
| Net Profit | 73.9 | 75.6 | -2% | 200.4 | 97.8 | 105% |
| <i>Net Profit Margin</i> | 25% | 30% | -5 pts | 24% | 13% | 11 pts |
| Normalized Net Profit | 73.9 | 75.6 | -2% | 200.4 | 220.7 | -9% |
| <i>Normalized Net Profit Margin</i> | 25% | 30% | -5 pts | 24% | 30% | 6 pts |
| Earnings per Share (EGP) | 0.48 | 0.49 | -2pts | 1.3 | 0.6 | 69 pts |

¹By the terms regulating the company’s listing on the LSE, IDH is required to release audited financials at the half- and full-year marks. Management and the Board of Directors have committed to providing performance updates in the first and third quarters as an outgrowth of the Company’s commitment to transparency. All figures in this update are accordingly unaudited and provided from Management accounts.

² EBITDA for the 9M2015 period was normalized for one-time IPO related expenses of EGP 122.9 million.

Financial & Operational Highlights

- **Revenues** rose 17% over 3Q2015 to EGP 294.3 million, exceeding the 9M2016 pace of 14% period-on-period. The 3Q2016 revenue increase was driven by a 7% gain in the total number of patients served, which helped to bring the number of patients served to flat year-on-year for 9M2016. Revenue growth was also driven by a 10% increase in the total number of tests in the third quarter versus the prior year, which exceeded the 3% gain for 9M2016.
- **Gross profit** rose 24% over 3Q2015 to EGP 164.9 million, exceeding the 9M2016 pace of 15% period-on-period. Expressed as a percentage of revenues, cost of sales declined in 3Q2016 to 44% from 47% in 3Q2015 primarily as a result of operational efficiencies realized in operating the Mega Lab, which was commissioned in 3Q2015 to replace IDH's two legacy A Labs. This helped cost of sales in 3Q2016 to close at 45% of sales, down from 46% in the comparative period despite a high-inflation environment in the Group's principal market of Egypt.
- **EBITDA** rose 24% over 3Q2015 to EGP 135.2 million. For 9M2016, the gain was 80% period-on-period to EGP 380.1 million when compared to the EGP 211.1 million reported last year. Meanwhile, EBITDA posted a 14% year-on-year growth when compared to 9M2015 normalized³ figure of EGP 334.0 million.
- **Net profit** of EGP 200.4 million for 9M2016, more than double the EGP 97.8 million for the comparative period. Setting aside EGP 48 million in foreign exchange losses in 9M2016, net profit for the period would have been EGP 248.4 million in 9M2016. Meanwhile, net profit for 9M2015 would have stood at EGP 220.7 million if non-recurring expenses of EGP 122.9 million related to the Group's IPO on the London Stock Exchange were set aside.
- **Total tests** increased 10% in 3Q2016 to 6.0 million, which was a stronger rate of gain than the flat performance for 6M2016, resulting in a 3% increase in total tests for 9M2016. **Total patients served** in 3Q2016 was 1.5 million, an increase of 7% year on year, compensating for the decline in 1H2016 and delivering a flat 9M2016. Tests per patient were up 3% in 3Q2016 and 4% in 9M2016 period-on-period.
- **Average revenue per patient** rose 10% over 3Q2015 to EGP 201.6 while **average revenue per test** increasing 7% period-on-period to EGP 49.0, a bit below year-to-date trends. For 9M2016, **average revenue per patient** rose 14%, while **average revenue per test** gained 10%.

About Integrated Diagnostics Holdings (IDH)

IDH is the largest fully integrated private-sector medical diagnostics services provider in Egypt, Jordan and Sudan, comprehensively offering pathology and molecular diagnostics, genetics testing and basic radiology. IDH's core brands include Al Borg and Al Mokhtabar in Egypt, as well as Biolab (Jordan), Ultralab and Al Mokhtabar Sudan (both in Sudan) and the Medical Genetics Center, which operates in Egypt. IDH is listed on the London Stock Exchange (ticker: IDHC) and was founded in 2012 by the merger of Al Borg and Al Mokhtabar, the most established diagnostics services brands in Egypt.

IDH's forward looking strategy rests on leveraging its established business model to achieve five key strategic goals, namely: (1) continue to expand customer reach; (2) increase the number of tests per patient; (3) use the Mega Lab's enlarged capacity to provide services to third party labs and hospitals; (4) introduce new medical services by leveraging the Group's network and reputable brand position; and (5) expand into new geographic markets through selective, value accretive acquisitions. Learn more at idhcorp.com.

Shareholder Information

LSE: IDHC.L
Bloomberg: IDHC:LN
Listed: May 2015
Shares Outstanding: 150 million

³ EBITDA for the 9M2015 period was normalized for one-time IPO related expenses of EGP 122.9 million.

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Operational & Financial Review

Key Performance Indicators

| | 3Q16 | | | 3Q15 | | | % change | | |
|----------------------------------|-----------------|-------------------|-------|-----------------|-------------------|-------|-----------------|-------------------|-------|
| | Walk-In Clients | Corporate Clients | Total | Walk-In Clients | Corporate Clients | Total | Walk-In Clients | Corporate Clients | Total |
| Revenue (EGP mn) | 117.4 | 176.8 | 294.3 | 104.8 | 147.2 | 252.0 | 12% | 20% | 17% |
| % of Revenue | 40% | 60% | 100% | 42% | 58% | 100% | | | |
| Patients ('000) | 415 | 1,044 | 1,459 | 420 | 949 | 1,369 | -1% | 10% | 7% |
| % of Patients | 28% | 72% | 100% | 31% | 69% | 100% | | | |
| <i>Revenue per Patient (EGP)</i> | 282.8 | 169.4 | 201.6 | 249.7 | 155.0 | 184.0 | 13% | 9% | 10% |
| Tests ('000) | 1,451 | 4,559 | 6,011 | 1,406 | 4,078 | 5,483 | 3% | 12% | 10% |
| % of Tests | 24% | 76% | 100% | 26% | 74% | 100% | | | |
| <i>Revenue per Test (EGP)</i> | 80.9 | 38.8 | 49.0 | 74.6 | 36.1 | 46.0 | 8% | 7% | 7% |
| Test per Patient | 3.5 | 4.4 | 4.1 | 3.3 | 4.3 | 4.0 | 4% | 2% | 3% |

| | 9M16 | | | 9M15 | | | %change | | |
|----------------------------------|-----------------|-------------------|--------|-----------------|-------------------|--------|-----------------|-------------------|-------|
| | Walk-In Clients | Corporate Clients | Total | Walk-In Clients | Corporate Clients | Total | Walk-In Clients | Corporate Clients | Total |
| Revenue (EGP mn) | 336.1 | 510.8 | 846.8 | 308.6 | 436.6 | 745.2 | 9% | 17% | 14% |
| % of Revenue | 40% | 60% | 100% | 41% | 59% | 100% | | | |
| Patients ('000) | 1,208 | 3,075 | 4,283 | 1,308 | 2,992 | 4,300 | -8% | 3% | 0% |
| % of Patients | 28% | 72% | 100% | 30% | 70% | 100% | | | |
| <i>Revenue per Patient (EGP)</i> | 278.1 | 166.1 | 197.7 | 235.9 | 145.9 | 173.3 | 18% | 14% | 14% |
| Tests ('000) | 4,082 | 13,665 | 17,747 | 4,372 | 12,832 | 17,204 | -7% | 6% | 3% |
| % of Tests | 23% | 77% | 100% | 25% | 75% | 100% | | | |
| <i>Revenue per Test (EGP)</i> | 82 | 37 | 48 | 71 | 34 | 43 | 17% | 10% | 10% |
| Test per Patient | 3 | 4 | 4 | 3 | 4 | 4.0 | 1% | 4% | 4% |

Total Branches by Geography

| | 9M16 | 9M15 | % change |
|---------------------------|------------|------------|------------|
| Egypt | 303 | 272 | 11% |
| Jordan | 13 | 11 | 18% |
| Sudan | 23 | 25 | -8% |
| Total IDH Branches | 339 | 308 | 10% |

Operational Review

IDH delivered a solid operational performance in 3Q2016 and 9M2016. At the end of 9M2016, IDH operated 339 branches; an increase of 31 branches (10%) period-on-period: 303 branches in Egypt (+11%), 23 in Sudan (-8%) and 13 in Jordan (+18%).

Average revenue per patient increased 10% to EGP 201.6 in 3Q2016 compared to the same period a year ago, while average revenue per test increased 7% to EGP 49.0. Total tests completed, at 6.0 million, were 10% higher period-on-period. For 9M2016, average revenue per patient rose 14% to EGP 197.7, whilst average revenue per test gained 10% to EGP 48.00, and total tests completed stood at 17.7 million, or 3% higher period-on-period.

Across the Group's footprint, IDH served 1.5 million patients in 3Q2016, up 7% from 3Q2015, as a 10% increase in corporate clients more than offset a 1% decline in walk-in patients. Group-wide for 9M2016, IDH served 4.3 million patients, approximately the same number over the same period a year ago, as a 3% gain in corporate clients offset an 8% decline in walk-in patients.

The ratio of corporate to walk-in patients served during 9M2016 was 72:28 compared with 70:30 in 9M2015. The general shift in patient mix since late 2015 in favour of those served on corporate contracts reflects natural market dynamics in Egypt. The trend has been encouraged by continued high inflation, which is eroding consumer spending power and pushing consumers to utilize any coverage / benefits available to them.

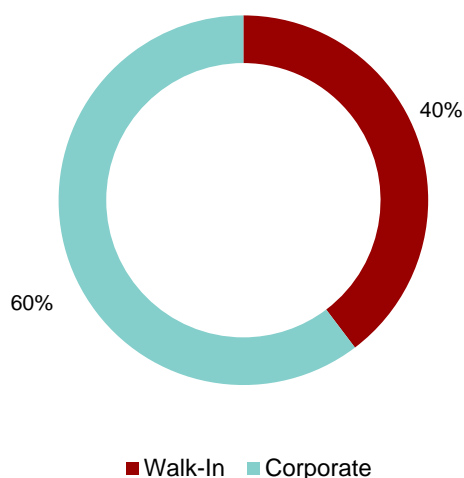
Financial Review

Revenue

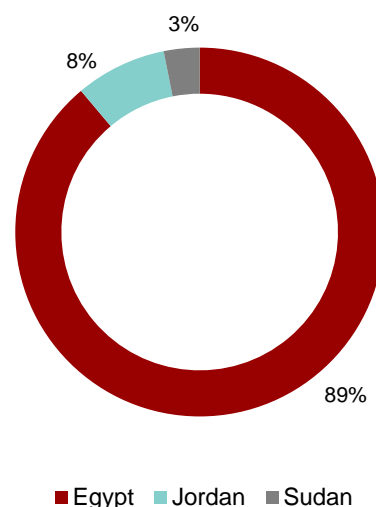
Total revenue increased 14% in 9M2016 to EGP 846.8 million (9M2015: EGP 745.2 million). Better price and mix on corporate clients contributed 5.4ppt of growth, while better price and mix for walk-in patients accounted for 3.9 ppt. Volume growth and foreign exchange gains from Jordan and Sudan contributed 4.3 ppt.

Existing branches accounted for 88% of revenue growth, while new branches accounted for 12%. Average revenue per patient rose 14% period-on-period; revenue per test was up 10%; and tests per patient climbed 4%, underscoring the resilience of the medical diagnostics segment to both macro headwinds and the impact of high inflation on consumer spending.

Revenue Breakdown by Type (9M16)



Revenue Breakdown by Geography (9M16)



IDH's corporate clients (also referred to as contract clients), who in 9M2016 represented 60% of the Group's revenues (9M2015:59%), include institutions such as unions, private insurance companies and

corporations who typically enter one year, renewable contracts at agreed rates per test and on a per client basis. During 9M2016, IDH served 3.1 million patients under those contracts, performing 13.7 million tests.

IDH derived 40% of its revenue in 9M2016 from walk-in clients (9M2015:41%), with the total number of walk-in patients -8% period-on-period. In Egypt, the Group's largest market, the number of walk-in patients declined 7%, while the number of tests performed fell 8%. 3Q2016 numbers for Egypt outpaced the 9M2016 performance, with walk-in patients' volume flat and 4% more tests performed.

Cost of Sales

Expressed as a percentage of revenues, cost of sales represented 45% in 9M2016, less than the 46% recorded in 9M2015, helped by lower Chemicals and Supplies costs and despite significant inflation in Egypt, the Group's primary market. In absolute terms, cost of sales rose 12% period-on-period to EGP 381.9 million, driven primarily by increased spending on Wages and Salaries, which climbed 23%.

Wages and salaries accounted for 38% of total Group cost of sales in 9M2016 (9M2015: 34%); the category remains the single largest contributor to COGS. Chemicals and supplies fell to 33% of total cost of sales in 9M2016 from 39% a year ago.

EBITDA

EBITDA for 9M2016 stood at EGP 380.1 million (9M2015: EGP 211.1 million), up 80% period-on-period. EBITDA growth was constrained in part by the rising cost of wages and salaries as well as the increase in administrative expenses. For the first nine months, the Group's EBITDA margin stood at 44.9% against a normalised figure of 44.8% in the same period of the previous year. EBITDA margin for the same period of 2015 was 28%.

Egyptian operations contributed 94% of EBITDA in 9M2016; Jordan contributed 4% and Sudan 2%.

Net Finance Cost

The Group recorded net finance cost of EGP 7.3 million in 9M2016 against net finance income of EGP 0.6 million in the same period last year. Net finance costs include both finance income of EGP 13.6 million (9M2015: 5.9 million) and finance cost of EGP 6.3 million (9M2015: 5.3 million). It should be noted that finance cost mainly represents interest from finance leasing.

Taxation

Income tax expenses recorded on the income statement in 9M2016 totalled EGP 94.6 million compared to EGP 90.6 million in 9M2015. There is no tax payable in the two IDH holding companies (Jersey and Cayman). All tax is paid within the operating companies in Egypt, Jordan and Sudan.

It worth mentioning that deferred tax in 9M2016 amounted to EGP 13.8 million compared to EGP 0.6 million in 9M2015.

The Group's dividend policy is to distribute any excess cash after taking into consideration all business cash requirements and potential acquisition considerations. As a result, a deferred tax liability is recognised for the 5% tax on dividends for the future expected distribution payable by Egyptian entities under Egyptian tax legislation.

Net Earnings

Net profit for the nine-month period (pre non-controlling interest) in 9M 2016 was EGP 200.4 million, compared to EGP 97.8 million recorded in 9M2015. Results for the first nine months of this year reflect the impact of EGP 48 million in foreign exchange losses (discussed above) against a forex gain of EGP 2.9 million in the comparative period.

Management also notes that net profit of EGP 97.8 million in 9M2015 includes non-recurring expenses of EGP 122.9 million related to the Group's IPO on the London Stock Exchange.

Balance Sheet

Through the historic acquisitions of Makhbaryoun Al Arab and Golden Care Medical Services the Group entered two separate put option arrangements to purchase the remaining equity interests from the vendors at a subsequent date. The options are exercisable in whole from the fifth anniversary of completion of the original purchase agreement falling due in June 2016. At acquisition a put option liability has been recognized for the net present value for the exercise price of the option. In July 2016, the Group was notified by the vendors of Golden Care Medical Services the put option had been exercised. IDH held an Extraordinary General Assembly Meeting (EGM) in October 2016 at which shareholders approved the purchase of the shares under the put option. Payment for the shares will be disbursed to the seller (and transfer of the shares effected) after the General Authority for Investment and Free Zones approves the EGM filing.

Recent Corporate Developments

Non-Executive Director Ahmed Badreldin, a member of the Company's Board of Directors since 2011 has resigned for the IDH Board of Directors effective 22 November 2016. Mr. Badreldin is a partner at The Abraaj Group, where he supported the creation of IDH starting from The Abraaj Group's acquisition of c75% stake in Al Borg in 2008. During his service on IDH's Board of Directors, Mr. Badreldin supported IDH in the development of the Company's strategy during the successful initial public offering on the London Stock Exchange.

Outlook

IDH's forward-looking strategy rests on leveraging its established business model to achieve five key strategic goals, namely: (1) continue to expand customer reach; (2) increase the number of tests per patient; (3) use the Mega Lab's enlarged capacity to provide services to third-party labs and hospitals; (4) introduce new medical services by leveraging the Group's network and reputable brand position; and (5) expand into new geographic markets through selective, value-accretive acquisitions.

—Ends—